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**ECONOMIC, COMMERCIAL, TECHNOLOGICAL AND ENVIRONMENTAL
AFFAIRS COMMITTEE**

REPORT*

« The Role of Parliaments in Combating Pandemic - Economic Aspects »

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I INTRODUCTION

1. Pandemics are not unknown to the mankind. Throughout human history, there had been many pandemics of diseases, such as the black death-plague, smallpox, cholera, etc. Pandemics also occurred at intervals of several decades, during the 20th century, among which three influenza pandemics, the most severe being the so-called "Spanish Flu", estimated to have caused 20-50 million deaths in 1918-1919. Milder pandemics occurred subsequently, in 1957-1958 (the "Asian Flu") and in 1968 (the "Hong Kong Flu"), which were estimated to have caused 1-4 million deaths each. The first influenza pandemic of the 21st century occurred in 2009-2010 and was caused by an influenza A(H1N1) virus. It was the first pandemic for which many states have developed comprehensive pandemic plans, describing the public health measures to be taken, aimed at reducing illness and fatalities and for the first time, pandemic vaccine was developed, produced and deployed in multiple countries. Usually pandemic causes recession, which we witness now in most of the countries.
2. The latest pandemic is the COVID-19, the contagious disease caused by a new coronavirus. The new coronavirus (SARS-CoV-2) related COVID-19 disease was first registered in Wuhan, China, in December 2019, and before that date, this virus and disease were unknown. On 11 March 2020, the COVID-19 outbreak was characterized as a pandemic by the World Health Organization, which called the countries to take urgent and aggressive actions and comprehensive strategies to prevent infections, save lives and minimize adverse impacts. As of 6 October 2020, 216 countries, territories or areas have reported confirmed cases of COVID-19, the total number of the world's confirmed cases is 35,274,993 and the number of confirmed deaths due to the COVID-19 is 1,038,534. Globally, the number of newly reported cases continues to grow each day and there is a great concern about the possibility of next waves of the virus. During the first half of 2020, the governments across the world are still hoping for an economic bounce-back. The GDP of the most developed countries fell by about 10%. Also, it affects the behavior of the people- more people wear masks now.
3. Taking into consideration the very relevance and seriousness of the topic and adverse consequences of the pandemic on all sectors, especially the economic one, the Fifty-Fourth meeting of the PABSEC Economic, Commercial, Technological and Environmental Affairs Committee, held on 7 July 2020, took the decision to discuss "The Role of Parliaments in Combating Pandemic - Economic Aspects" as the main issue of the agenda of the Forty-Fifth Meeting.
4. In the Document "The BSEC Economic Agenda - Towards an Enhanced BSEC Partnership", which was adopted in Istanbul, on 26 June 2012, it is stressed that strengthening the cooperation in the sphere of public health and preventing the spread of infectious diseases; further elaborating the Epidemiological Surveillance and Response Network, establishing a system of regular exchange of information on registered infection diseases, among the BSEC Member States, exchanging experience in carrying out emergency immunization campaigns and working with the hard-to-reach groups of population, are priority tasks for the BSEC.
5. Due to the introduction of quarantine measures in the BSEC member countries in the previous period, the multilateral cooperation within the Organization of the Black Sea Economic Cooperation has been ongoing mainly in the online format. In this framework, several meetings were organized online during which views and best practices were exchanged aiming at combating the pandemic and diminishing its negative impact on small and medium enterprises, tourism, blue economy, road transport, transportation of goods, banking and the financial sectors in the BSEC Region.

6. In the course of its activities, the Parliamentary Assembly of the Black Sea Economic Cooperation has considered issues related to economic aspects of various challenges, as well as topics concerning the healthcare and the public health in the BSEC region. On these topics, the Assembly came up with the Reports and Recommendations of the Economic, Commercial, Technological and Environmental Affairs Committee and the Cultural, Educational and Social Affairs Committee, calling for further economic cooperation and adequate measures and reforms, at the national level, along with the cooperation with international and regional specialized organizations. The Assembly adopted the following Recommendations on the healthcare issues: Recommendation 44/2000 “Cooperation in the Field of Public Health among the BSEC Member-Countries”, Recommendation 157/2017 “The Role of the Parliaments in Providing Sustainable Healthcare Systems in the BSEC Member States”.
7. The present Report uses the information from the national delegations of the Republic of Albania, the Republic of Armenia, the Republic of Azerbaijan, the Republic of Bulgaria, the Hellenic Republic, the Republic of Moldova, Romania, the Russian Federation, the Republic of Serbia, the Republic of Turkey and Ukraine. It also uses the research material, reports of relevant international organizations, as well as the relevant information from various Internet sources.

II ECONOMIC ASPECTS OF THE PANDEMIC CRISIS IN THE WORLD

8. The COVID-19 pandemic disease disrupted life around the world and also the normal economic activity unprecedentedly. It is a real global challenge which has affected merely all the counties in the world. COVID-19 is a global health crisis, but at the same time, a profound socio-economic and political challenge that caused the harshest economic recession in nearly a century, triggering enormous damage to people’s health, jobs, and well-being. It has posed severe threats to the world economy and the countries’ economic growth, as well as the normal functioning of societies. According to the Organization for Economic Cooperation and Development, the global economy is currently suffering its deepest recession since the Great Depression in the 1930s, with the GDP declines of more than 20% and a surge in unemployment in many countries. The International Monetary Fund predicts that the global economy will shrink 4.9 percent this year, 1.9 percentage points, below the April forecast.
9. The COVID-19 pandemic has substantially affected global progress towards achieving the Sustainable Development Goals, which was already uneven, with the growing inequality, the rapid climate change and the economic hardship on the rise. The COVID-19, with its triple effect to health, education, and income threatens to bring decline in fundamental areas of human development in the BSEC Region.
10. The response of the states in fighting the virus, resulted in closing their borders and imposing restrictions on movement, to stop the spreading of the virus. The world lockdown did certainly help fight the virus and save lives, but it also triggered the world recession, much worse than during the 2008 - 2009 global financial crisis, froze business activity in many sectors, widened inequality, disrupted education and undermined confidence in the future.
11. Different states in the BSEC Region took different approaches after the first shock. While some of them imposed a full lockdown and declared the national state of emergency, with all non-essential activity closed and international and domestic travel strictly limited, some enforced partial restrictions to mitigate the economic fallout. Therefore, as lock-down measures were not the same, the opening measures are different and not implemented simultaneously in the countries. While quarantine measures are still extended in some of countries, the restrictive measures are being softened in the other. In most places, whereas

the incidence of the virus is still widespread, governments face the hard choice between public safety and reviving the economy.

12. Most countries start to ease their lockdown measures in a phased approach to reopen their economies and societies. Key elements for the immediate re-opening phase include business continuity measures, strengthening public service delivery (including e-services), and building resilience of business and people towards shifting to a new normality that includes safe co-existence with the COVID-19. Countries invest in essential basic measures, such as: personal protective equipment, cleaning and hygiene products, widespread COVID-19 testing, and contact tracing of those with the virus.
13. There are numerous economic consequences of the current pandemic, such as: poverty increase, decline of world's trade, huge tourism losses, widespread unemployment and loss of income, high food insecurity rate, etc. According to the World Bank data, approximately 40-60 million people will be pushed into extreme poverty because of the economic shocks from COVID-19. The forecasts by the World Bank indicate that there will be a 5.2 percent contraction in the global GDP in 2020 - the deepest global recession within eight decades, despite unprecedented policy support and per capita incomes are expected to decline in about 90 percent of the countries in 2020, the largest fraction in the recorded economic history. The pandemic is also expected to leave lasting scars through multiple channels, including lower investment, erosion of human capital, due to unemployment and loss of schooling, and a possible retreat from the global trade and supply linkages. These effects may lower productivity and limit the ability of economies to generate growth of real incomes, in the long-term.
14. The reduction in the consumer activity of the population and in the production of all the countries where cases of COVID-19 were recorded, caused a global decline in demand and, accordingly, a drop in prices in the world commodity markets. Such trends have negatively affected the development of the BSEC Member States economies, with a decline of the GDP, and negative impacts on the internal sectors of economies, such as; agriculture, transport, industrial production, manufacturing industry, construction etc. A great number of enterprises, especially small and medium enterprises in almost all economic sectors, were forced to reduce, suspend or even close their activity. Like most elements of economic activity, investment activity, in the first quarter of 2020, felt a significant impact of the crisis caused the COVID-19 pandemic. Moreover, some BSEC Member States have been especially affected by a steep fall in oil prices and the associated instability in financial markets, due to the COVID-19 shock. At the same time, there were businesses that have thrived, in industries and services based largely on digitalization and artificial intelligence, such as: the IT industry, software solutions for businesses and the general public, telecommunications and Internet services (mobile communication, internet providers), express courier, e-commerce and retail (especially food and pharmaceutical).
15. According to the World Trade Organization (WTO), the COVID-19 pandemic represents an unprecedented disruption to the global economy and world trade, as production and consumption are scaled back across the globe. The pandemic has also contributed to the decline of the global trade. World trade is expected to fall between 13% and 32% in 2020 because of the COVID-19. In 2021, recovery in trade is expected, but dependent on the duration of the outbreak and the effectiveness of the policy responses. The WTO predicts that nearly all the regions will suffer double-digit declines in trade volumes in 2020; trade will likely fall steeper in sectors with complex value chains, particularly electronics and automotive products and services trade may be most directly affected by COVID-19, through transport and travel restrictions.

16. The direct consequence of the pandemic in the BSEC region is reflected in supply disruptions and reduced demand for goods and services, which in turn, has affected the volume of the BSEC member states foreign trade, with the export of goods and services in the first half of 2020 showing negative dynamics.
17. The COVID 19 significantly contributed to an unprecedented fall in tourism. The latest data from the World Tourism Organization show that the pandemic has caused a 22% fall in international tourist arrivals, during the first quarter of 2020 and the annual decline could be between 60% and 80%, when compared with 2019 figures. This puts millions of jobs at risk in one of the most labour-intensive sectors of the economy.
18. Given the economic weight of tourism in the BSEC countries and the great tourism potential of the Region, this sector was severely hit in the BSEC Member States. The BSEC is a sensitive region for tourism and thus will be affected more. The precautions taken around the world, such as the quarantine measures and the temporary closure of borders, have adversely affected the tourism sector in the Black Sea Region. In connection to the great downfall of income from tourism, there were also affected the domains of transport, hotels-restaurants-cafes services, business-to-consumer services, catering, recreation, arts, etc.
19. Some responses of the BSEC Member States for mitigation tourism loses included relaxing quarantine measures, to attract tourists, relaxing border control formalities, providing insurance packages for foreign tourists, attempts to harmonize health and security standards, etc. The BSEC Working Group on Cooperation on Tourism, on 11 June 2020, discussed the process of development of a common platform for the resumption of cooperation in the field of tourism, such as the proposal to introduce the "BSEC Coronavirus Protocols" regulating safety and health measures which will gradually restore tourist flows among the interested BSEC member countries.
20. The pandemic has caused turmoil in the labour market, with massive job and income losses. The International Labour Organization forecasts that there will be 14.0 percent worldwide deterioration in working hours during the second quarter of the year, equivalent to 400 million full-time jobs. As job losses escalate, nearly half of the global workforce is at risk of losing livelihoods.
21. The COVID-19 crisis has drastically affected the labour markets and people's employment opportunities in the Region. The employment in the BSEC Member States has been influenced mainly through fewer jobs and loss of income in the most affected sectors, as well as lower international remittances. All the countries in the BSEC region have made efforts to create social safety net, preserve employment, help the most affected companies, support enterprises to maintain jobs and protect the unemployed and the most vulnerable social groups.
22. According to the World Food Programme projection, the number of people facing acute food insecurity stands to rise to 265 million in 2020, up by 130 million from the 135 million in 2019, as a result of the economic impact of COVID-19. Alarmed by a potential rise in food insecurity during the COVID-19 pandemic, many countries are increasing special efforts to keep agriculture safely running as an essential business, markets well supplied with affordable and healthy food, and consumers still able to access and purchase food, despite movement restrictions and income losses.
23. As the coronavirus crisis progressed in the BSESC region, there were some fears regarding disruptions in domestic food supply chains. Although the Black Sea region is not comparatively facing severe food shortage, comparing with some other regions and continents of the world, there might be varying levels of food price inflation in the future, due to measures taken to combat the spread of COVID-19.

24. At the beginning of the outbreak of the pandemic, the European Union Member States provided scattered responses on the issue of protecting the health of citizens and the rules regarding quarantine were different from one country to another. The agreement on stimuli to cope with the economic recession could not be easily found and a coordinated strategy was difficult to reach. As the EU Member Countries could not take a joint action, they counteracted the virus on their own, in the limits of their national possibilities.
25. Only within the recovery process, the steps were taken jointly. Acting in an adequate and coordinated way, as a response to the COVID-19 consequences, the EU amended its budget for 2020, adding €3.1 billion euros and redirected cohesion funds to help the member states tackle the COVID-19 crisis. It also adopted measures to ensure additional flexibility in the use of structural funds. The so-called Coronavirus Response Investment Initiative Plus enables member states to transfer money between different funds, to meet their needs; resources can be redirected to the most affected regions, due to a suspension of the conditions on which regions are entitled to funding; member states can request up to 100% financing from the EU budget between 1 July 2020 and 30 June 2021 for programmes dealing with the impact of the pandemic.
26. The main EU fiscal response to the coronavirus came from the Member States' national budgets. The European Commission adopted temporary state aid rules, so governments can provide liquidity to the economy, allowing member states to financially support companies and citizens who have difficulties, due to the COVID-19 economic fallout. It also enabled maximum flexibility in the application of the EU fiscal rules regarding state aid measures to support businesses and workers, public finances and fiscal policies, e.g. to accommodate exceptional spending.
27. On 23 April 2020, EU leaders decided to work towards establishing an EU recovery fund aimed at mitigating the effects of the crisis. A recovery plan for Europe was presented by the European Commission, on 27 May 2020. On 21 July, EU leaders agreed on a €750 billion recovery effort, Next Generation EU, to help the EU tackle the crisis caused by the pandemic. Alongside the recovery package, EU leaders agreed on a €1074.3 billion long-term EU budget for 2021-2027. Together with the €540 billion of funds already in place for the three safety nets (for workers, for businesses and for member states), the overall EU's recovery package amounts to €2 364.3 billion. European Investment Bank Group put in place a new Pan-European Guarantee Fund. The fund will provide loans up to €200 billion for companies, with a focus on small and medium-sized enterprises throughout the EU. The European Stability Mechanism set up the Pandemic Crisis Support based on an existing precautionary credit line. It can provide loans available to all euro area member states up to 2% of their GDP, up to a total value of €240 billion.
28. The Eurasian Economic Union (EEU) has taken a number of measures aimed at providing a prompt response to spreading the COVID-19 coronavirus infection. The measures which have been taken in response to the COVID-19, could be grouped as follows: temporary ban on exports of medical products and personal protective equipment; temporary ban on exports of certain food products; simplification of the procedures for the certificate of origin and zero import customs duty rates applicable to a wide range of products.
29. On 16 March, the Council of the EEC (Eurasian Economic Commission) adopted Decision No. 21 "On Amending Certain Decisions of the Customs Union Commission and on Approving the List of Goods Imported into the Customs Territory of the Eurasian Economic Union to Ensure that Measures to Prevent and Avert Spreading 2019-nCoV Coronavirus Infection are Implemented by the Eurasian Economic Union Member States." The exemption from paying import customs duties is effective until 30 September. On 24 March, the EEC Council adopted Decision No. 41 "On Amending Decision No. 30 of the Eurasian

Economic Commission's Council dated 21 April 2015 "On Non-Tariff Regulation Measures." A temporary ban was introduced on exporting personal protective equipment, protective agents and disinfectants, products for medical use and materials from the EAEU. At its extraordinary meeting held on 25 March, the EEC Council adopted Disposition No. 11 "On the Implementation of Measures to Avert Spreading COVID-19 Coronavirus Infection" on joint and coordinated actions of the EEU countries in a wide range of issues during the implementation of such measures. On 3 April, the EEC Council approved the list of critical imports to minimize the negative economic consequences of spreading COVID-19 coronavirus infection and prevent a shortage of socially important goods in the EEU countries. They are granted tariff preferences in the form of exemption from import customs duties when importing to the EEU States from 1 April to 30 June of this year inclusive.

30. On 10 April, Members of the Eurasian Intergovernmental Council adopted a package of comprehensive measures to be taken in the EEU. The first section of measures included a package of urgent stabilization measures and provided for arranging interaction between the relevant authorized authorities in carrying out sanitary and epidemiological activities to prevent and minimize consequences of spreading coronavirus infection. The creation of a "green corridor" for supplying critical goods was also envisaged. This block of measures also included introduction of single temporary restrictions on export of critical goods to third countries; prompt consultations at the level of Vice Prime Ministers of the Union countries – members of the EEC Council – on draft national legal acts aimed at introducing temporary restrictions related to the exceptional need to respond to the spread of coronavirus infection; consultations of authorized authorities in the sphere of technical regulation, etc. The second section of measures aimed at creating conditions for the recovery and further economic development. It focuses on ensuring macroeconomic stability and sustainable functioning of financial markets and payment systems, support for real sector enterprises, and more active participation of regional financial institutions in supporting the economies. This block of measures also includes the further digital transformation of trade.
31. Decisions adopted by the EEC Council on mitigating restrictions on export of a number of goods, imposed earlier in the Eurasian Economic Union in light of spreading of coronavirus infection, came into force on 10 May. Such mitigation affected the export of certain types of fabrics and disinfectants to third countries. On 18 June, 2020, the Decision of the EEC Council dated 16 June, 2020, No. 78 "On amendments to the list of goods for which the authorization procedure for import into the customs territory of the Eurasian Economic Union and (or) export from the customs territory of the Eurasian Economic Union has been established" was published, according to which, from 1 July 2020 to 31 August 2020 inclusive, a permissive procedure for the export of sunflower seeds is introduced. On 23 June the Decision of the EEC Council, dated 27 May, 2020, No. 53 "On Amendments to the List of Goods Imported to the Customs Territory of the Eurasian Economic Union in order to implement measures by the member states of the Eurasian Economic Union aimed at preventing the spread of the coronavirus infection 2019- nCoV", was published. On 1 July 2020, expired the ban on the export of certain types of food products from the countries of the Eurasian Economic Union, established by the Decision No.43 of the EEC Board, dated 31 March 2020.

III SITUATION IN THE BSEC MEMBER STATES

32. On 23 March 2020, the Government of **the Republic of Albania** declared a state of natural disaster due to the COVID-19. Despite the lockdown, more than 50% of all economic activity continued at reduced capacity. As the number of cases began to decline gradually, on 27 April, Albania continued with a gradual easing of measures. On 1

June, most economic activities returned to normal, except for public transportation and major public and cultural events.

33. On 25 March 2020, the Supervisory Council of the Bank of Albania decided to ease the monetary policy to mitigate the impact of the COVID-19 pandemic by lowering interest rates and reducing the cost of new loan. Furthermore, the Bank of Albania, in cooperation with the banks, enabled the borrowers to defer the payments of loan installments for six months .Regarding the fiscal interventions, the Government has approved two support packages for individuals and businesses affected by pandemic COVID-19, totaling 45 billion ALL (2.8% of GDP). Seven government measures for coronavirus are as follows: 2.5 billion ALL (20 million euros) which are available to the Ministry of Health, for medical equipment and materials or support of medical staff; 10 billion ALL (80 million euros) through the instrument of a sovereign guarantee for companies that have difficulties to pay the salaries of employees; 6.5 billion ALL (53 million euros) for the most immediate needs; 2 billion ALL (16 million euros) that is available to the Ministry of Defense for the Humanitarian Operation; 1 billion ALL (8 million euros) as a reserve fund for the Council of Ministers for any unpredictable emergency; permanent deletion of the arrears payments for active debtors who have energy consumption, family or small business, with a financial effect of up to 15 billion ALL (120 million euros); rescheduling in the second half of 2020 and onwards, the income tax for the whole business from 2 to 14 million ALL, or from 20 to 140 thousand dollars turnover.
34. The Albanian Government has made available, through Normative Acts and Decisions of the Council of Ministers, two financial packages, as social support for citizens and businesses; additional budget for the health sector; additional budget for the defense sector for their humanitarian work; and extra budget to the Reserve Fund for other necessary and unpredicted expenses. Albania has also provided substantial entrepreneurship and employee support as well as support for small business and citizens. It has also implemented the Sovereign Guarantee I and the Sovereign Guarantee II, aiming at helping businesses in all sectors of the economy.
35. The Bank of Albania has taken immediate measures within its area of competence, to support the Albanian economy hit by the coronavirus pandemic. These measures enable and complement the fiscal package announced by the Albanian government, which aims to shift a part of the financial bill, to cope with the crisis, from the private sector to the public sector. The measures taken in the field of monetary policy, aim at reducing the cost of borrowing and the continuous financing of the economy with bank loans. On 25 March 2020, the Supervisory Council of the Bank of Albania decided to reduce the interest rate, from 1.0% to 0.5%; reduce the overnight loan interest rate, from 1.9% to 0.9%. In strengthening the easing monetary policy pursued so far, the Bank of Albania, starting from mid-March, has changed the auction form for the weekly injection of liquidity, from a very limited auction to a fixed price auction. The Bank has also increased the amount of liquidity injection beyond the 1-week period. The Bank of Albania continues to assess the health of the Albanian economy and banking system. The Bank has made regulatory amendments, provided instruction for banks, suspended the distribution of profits by banks, until the end of June 2020 and facilitated treatment of banks' exposures to the Albanian government debt securities in foreign currency, for those securities or titles that will be issued during 2020. The Bank made it easier for banks and non-bank financial entities to defer the payment of loan installments to their customers for three months; permitted that banks and other financial institutions to accommodate, based on the Order of the Governor and the Prime Minister, the needs of customers for a rescheduling the loan installments.

36. The Government of **the Republic of Armenia** extended a national state of emergency until September 11, and imposed strict containment measures, including school closures, travel bans on foreign citizens from high risk countries, and also imposed fines to those who violate isolation orders, during the state of emergency. Considering the improvement of health situation, the containment measures were eased, allowing for the resumption of public transport, retail businesses and restaurants. The easing process is going alongside with the decline of the spread of the virus.
37. In 2019, Armenia registered 7.6% economic growth (the highest in Europe). High growth rates in the economy continued at the beginning of 2020, but because of the negative economic impact of the new type of coronavirus, the economic activity has slowed down since March, with a 5.7% decline in the economic activity during January - June, which was mainly due to the reduction of services and constructions. In the adverse economic conditions created as a result of the pandemic, an economic decline of 2.0% is forecast for 2020. In order to prevent the economic downturn and to promote a further recovery, the Government planned to implement a total of AMD 150 billion (approximately \$311.4 m), which is 2.3% of the GDP package of socio-economic assistance in 2020, which includes measures for social and economic assistance, as well as for the promotion of private investments. The measures fall into three broad categories: (i) subsidized 2-3 year loans, to provide a short-term support to affected businesses and SMEs; (ii) direct subsidies to SMEs and businesses, to help maintain their employees; (iii) grants to entrepreneurs and firms; (iv) lump-sum transfers to the vulnerable people, including individuals who were unemployed, after the COVID-19 outbreak, families with children or who are expecting children, micro-businesses, general population who needed help with utility bills, and temporary part-time employment. So far, the Armenian government has adopted 24 support packages and allocated over 73 billion AMD (\$137.9m) to these purposes.
38. The National Assembly of Armenia adopted a package of legislative amendments (taxation, etc.) aimed at supporting businesses while countering the spread of the coronavirus disease, COVID-19. The Armenian parliament also amended and adopted the state budget, according to the pandemic situation in the country. In addition, a parliamentary oversight committee was set up, which will analyse the efficiency of the tools used to mitigate the spread of the coronavirus disease, COVID-19.
39. As a monetary policy response, The Central Bank of Armenia (CBA), reduced the policy rate, by another 50 bps, to 4.5 percent, on June 17. The interbank market has been active, and the central bank has easily met liquidity needs. The CBA undertook few foreign exchange sales, to limit the excessive dram volatility, around the beginning of April, although since then, the dram has strengthened, and the CBA has been able to buy some foreign exchange. As a result, the exchange rate has appreciated to pre-pandemic level, against the US\$. No balance of payment or capital control measures have been adopted.
40. The use of social isolation measures to minimize the impact of the coronavirus on the health of citizens, affected the economy of **the Republic of Azerbaijan**. As a result of the consequences of the pandemic and the instability of oil prices, economic activity decreased, the economic balance has been broken, and the restrictions imposed led to interruptions in the production-processing-consumption chain. As a result of the decline in world oil prices, there has been a decrease (in monetary terms) of exports of Azerbaijani products, although its supplies abroad continue to exceed imports (which decreased by only 5%).
41. In general, the model of the Azerbaijani government's struggle against the coronavirus pandemic could be called "solidarity with the world, responsibility for the citizen". During the quarantine period, financial assistance was provided to 130 thousand entrepreneurs, and

considering the funds allocated for calculating salaries to the staff, this figure reached 310 thousand persons. It was presented an electronic credit platform for entrepreneurs (e-edf.gov.az), developed by the Ministry of Economy, through which businessmen affected by the coronavirus pandemic, would be able to obtain loans worth up to three million manats (approximately 1,479,840 euros), as soon as possible. Moreover, these loans provide for a grace period of 12 months. The Azerbaijani government, along with providing direct financial assistance to business, is creating new opportunities for entrepreneurs to access preferential loans. The package of measures developed by the Ministry of Economy serves not only to minimize the economic consequences of the coronavirus during the pandemic, but also to support activity in the real sector in the post-pandemic period. The negative impact of the coronavirus pandemic on key sectors of the national economy, lasting from the end of the first quarter of 2020, was minimal, due to the improvement of the business environment. At the same time, the role of the private sector remains significant, it accounts for three, out of four manats, entering the state budget.

42. The reforms carried out under the leadership of the President of Azerbaijan and the measures to improve the business environment and ensure economic transparency, will minimize the damage to the country's economy and restore the economic activity in a short period of time after the pandemic. The policy pursued by the Head of State is aimed at minimizing the impact of the pandemic on the health of the population, and on the other hand, at reducing its impact on entrepreneurs, employees, etc. The priority of the reforms is the application of innovations in the country's economy. In particular, the leading role of Azerbaijan in regional activities related to the fourth industrial revolution, the agreement on the establishment, in the country, of the Regional Centre for the Fourth Industrial Revolution of the Davos Economic Forum, show that Azerbaijan is a country that supports innovation and contributes to innovative and technological development. The reforms that will be carried out in the post-pandemic period will support technological innovation, which will lead to an increase of the innovative value in economy and an increase in diversification trends. In the following period, this will strengthen the leading role of innovations in the non-oil sector of the economy. The possibility of creating a new investment fund, at the expense of internal and external resources, is being discussed at present, in Azerbaijan. Therefore, the international experience in this area is being studied and the public will be informed, in due course, about the results of the work carried out. It is expected that, the economy of Azerbaijan will return to recovery and the encouragement of the entrepreneurship will continue by the end of this year. There is currently a great deal of interest in industrial parks.
43. The National Assembly of the **Republic of Bulgaria** amended the State Budget Law for 2020 and approved a number of measures to reduce the negative impact on business and employment in the country. The new version of the financial framework was calculated in an economic downturn scenario by 3% and a deficit opening of BGN 3.5 billion (approximately 1,789,521,584 euros). The update will allow Bulgaria to participate in the European funds from the Support to mitigate Unemployment Risks in an Emergency (SURE) programme, as well as in the Pan-European Fund. At the same time, the Ministry of Economy and a number of state institutions from the economic sector started implementing various mitigation measures. For example, the Bulgarian Development Bank is implementing an Interest-free Loan Programme for employees on unpaid leave and self-employed persons temporarily unable to work as a result of the COVID-19 pandemic, as well as a Portfolio Guarantee Programme in support of micro, small and medium-sized enterprises.

44. The Operational Programme “Innovation and Competitiveness” (OPIC) implies that the unused financial resource within OPIC, shall be granted to small and medium-sized enterprises; BGN 173,000,000 (approximately 88,453,495 euros) was provided in the form of grants for the procedure “Support to micro and small enterprises to overcome the economic consequences of the COVID-19 pandemic”; in July, a selection procedure was announced for projects under “Support to micro and small enterprises to overcome the economic consequences of the COVID-19 pandemic” with a budget of BGN 200,000,000 (approximately 102,258,376 euros) aiming at providing operating capital through grants, for the Bulgarian medium-sized enterprises. The measures to provide working capital and investment funds for SMEs through financial instruments implemented by the Fund Manager of Financial Instruments are also planned under OPIC. The budget for the instrument is close to BGN 160 million (approximately 81,806,700 euros). In addition, the Ministry of Economy approved a proposal by the European Investment Fund to modify the portfolio guarantee instrument JER-009/9 "Trade Finance Instrument". The changes include an increase in the guarantee rate from 50% to 80%, financing of working capital and trade receivables in addition to documentary financing, incl. refinancing up to 30% of the transaction value.
45. Numerous measures have been implemented by the Bulgarian Export Insurance Agency, to mitigate the negative consequences of the pandemic. Also, the Ministry of Economy has established the necessary organization in order to provide markets and supplies of protective and sanitary and hygienic goods. The Bulgarian Commercial and Economic Affairs Offices abroad helped to contact manufacturers of protective masks, gloves, etc. to deliver them. The Ministry assisted in ensuring continuity of supply chains from/to and within the territory of the country and it is working to promote Bulgaria among potential health partners as a favourable destination for clinical developments, given the active demand for counteraction and solutions by the pharmaceutical industry, against COVID-19.
46. New measures are proposed to implement the National Tripartite Agreement, such as: developing and implementing measures to promote investments in less developed and lagging regions; continuing efforts to limit administrative regulation and administrative control of business activities and to extend the scope of the tacit agreement; bringing together the efforts of the state and the social partners to implement common coherent policies and measures for combating the informal economy and undeclared work, corruption, monopolisation and cartels. It is also planned to support investors implementing projects significant for the economy and certified under the Investment Promotion Act (IPA), by amending and supplementing the Investment Promotion Act Implementing Regulation and including a new financial measure to support projects in the processing industry, in the form of grants. It is also planned to develop a new insurance product, created jointly with commercial banks, in order to finance small and medium-sized enterprises, operating in the processing and agricultural and food industries.
47. Regarding the new measures under OPIC, new procedures are planned to be launched in August 2020, in order to provide operating capital to micro, small and medium-sized enterprises operating in the bus industry and performing activities in the area of sport, entertainment and leisure; planned financial assistance to SMEs for making investments which directly address the consequences of COVID-19 and investment support for preparations for the transition to a digital and green economy under the Initiative of the EU Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). The specific implementation measures, within the time Horizon 2020-2024, include measures directly addressing the effects of COVID-19 (total indicative budget in the amount of EUR 150 million) and preparatory measures for the transition to a digital and green economy (total indicative budget in the amount of EUR 100 million).

48. The Government of **the Hellenic Republic** has taken adequate measures to cope the pandemic crisis consequences and to promote economic recovery, in line with those agreed with other EU Member States. Any additional future measures will depend on the development of the pandemic crisis, which is closely monitored. Regarding state policies and economic support measures that were taken by the Ministry of Finance of the Hellenic Republic in order to mitigate COVID – 19 pandemic effects, the measures introduced during the last months could be classified in the form of three pillars- fiscal, monetary and financial.
49. The fiscal measures include VAT measures (deferral of VAT payments reduction for non-alcoholic drinks and for all passenger transports to 13%, cinema tickets to 13% for a 4 months period; VAT reduction to 6% for sanitary products; no VAT charged on goods and services donated to the Greek government to fight against the spread of COVID-19; deferment of VAT payments), tax deferrals (deferral of other tax obligations payments; deferral of payment of scheduled instalments and deferral of due tax payments), enhanced tax refunds (immediate repayment of all pending tax refund up to 30.000€; 25% discount in case of timely payment of tax obligation ex. VAT and 25% offset against other tax obligations in case of timely payment of VAT), income taxation (for the lessors if the amount of rent was not collected due to COVID-19 consequences or was collected 40 % reduced, it will not be considered as income from real property; tax year 2019 annual income tax declarations both for individuals and enterprises are postponed until 28th of August 2020; increase of the number of income tax return instalments for individuals and legal persons for tax year 2019; 2% deduction to the amount of income tax, if it is paid lump sum; no prepayment of income tax for tertiary sector enterprises that are subject to VAT and realized during the third quarter of 2019 more than 50% of the yearly VAT turnover; no prepayment of income tax for enterprises that fall within the air aviation and shipping transport sector; prepayment of income tax for the rest enterprises is reduced up to 30%-70% depending on the percentage of their turnover reduction during the first semester of 2020; prepayment of income tax for individuals acquiring business income not subject to VAT is reduced to half).
50. The monetary measures include refundable prepayment / advance payment (a special financial State subsidy to the affected enterprises pursuant to the amended E.U. temporary framework for State Aid exempt from tax, seizure, not offset against any liability; individuals businesses without personnel will also participate to the advance payment programme), state guarantee measure (a scheme for the support of the economy through the issuance of guarantees by the Hellenic Development Bank has been approved under the amended E.U. temporary framework for State Aid).
51. The financial measures envisage 40% reduction in commercial and primary residence rent (for halted or affected enterprises, employees whose labor contract has been suspended and students); extension of deadlines for expiry and payment of bank cheques issued by affected enterprises and tourism industry; deferral of performing loan repayments (for the principal amount) for affected enterprises (Banks' decision); extension of procedures that are completed entirely by electronic means; disposal of confiscated ethyl alcohol to produce antiseptics and to the Ministry of Health.
52. In order to limit the spread of infection, the Government of **the Republic of Moldova** adopted a vast range of measures, including the shutdown or temporary limitation, during the emergency state of the activities and certain services provided on the competitive market (transport, several trade sectors, a series of services supplied to the population) and of public services (education, public administration). It was reviewed and designed a new development area that would really balance economic, social and environmental progress, in accordance with the 2030 Agenda and the SDGs. Keeping the attention on policy priorities on a medium and long term, as well as eliminating economic consequences for the

most affected sectors and preventing the expansion on other sectors were urgent measures taken by the Moldovan Government. Additionally, it was important to keep track of the priorities of the medium and long-term policy on human capital, which was reduced and declined, of the weak competition policy, of the downturn of productivity and the ascending emigration. On a short term, the authorities concentrated on providing medical equipment and personnel, on measures to slow down the spread of the virus and to reduce the maximal load carried by the healthcare systems, on ensuring fiscal stability and access to finances, maintaining a stable financial sector, ensuring at the same time adequate liquidity, on protecting affected persons and helping enterprises to survive and keep their employees.

53. At the same time, taking into account the high degree of uncertainty with respect to the prospects of improvement of the pandemic's repercussions, the Ministry of Economy and Infrastructure (MEI) drew up an alternative forecast scenario, providing for a longer period of economic shutdown and a slower recovery. According to this scenario, the GDP would diminish by approximately 6%, in 2020. At the same time, in 2021, the economy is expected to enter a phase of gradual re launch, the growth of the GDP being estimated at about 4%.
54. The mitigation of the short-term impact of the crisis was urgent. The MEI has initiated a process of drawing up a plan of economic measures, for the 2020-2021 period, in the context of COVID-19, based on three goals: limiting the impact, recovery and transformation. The measures proposed for the first goal, will concern the prevention of a greater spread of the economic shock. The measures under the goal of recovery are meant to: facilitate the access to the working capital and the access to the investment capital; facilitate the access to markets, identify new niches and opportunities and facilitate the opening of new businesses, including by the emigrants who have returned to the country with their savings and who are a source of enormous potential. The goal of transformation implied a set of measures with a short-term impact, which will prepare the economy for the possible new COVID waves and similar infections, such as: increasing internal resilience and robustness of the economy as a whole; laying the groundwork for a more sustainable growth, on a medium term and identifying internal reserves, for a more inclusive economic growth, from a social and geographic points of view.
55. **Romania** was in a state of emergency between 16 March and 14 May 2020. During the lockdown, all non-essential economic activities have been closed and the domestic travel was strictly limited. With the incidence of the virus declining, on 15 May, Romania entered the next phase, the state of alert, with the gradual re-opening of some economic sectors. At the same time, the Government adopted measures in order to support the national economy and investment, in the context of the pandemic.
56. In the first phase of the crisis generated by COVID-19, from an economic and social point of view, the Government aimed mainly at maintaining as many jobs as possible in the economy, keeping in operation as much as possible of the existing production and commercial chains. The financial aid granted by the state was oriented towards the essential areas, namely: population health; production, distribution and sale of basic necessities (food, medicines, biocides); operation of essential infrastructure (transport and communications); providing utilities (electricity and heat, water, natural gas, sanitation); ensuring public order and peace. In the second phase of the crisis, there is the need for a plan for the country's economic revitalization, with concrete implementation steps, that should be coordinated with the effort of the European Union, to restart the entire community economy.
57. There is a constant State's monitoring of the national economy and the Government is receptive to all the requests from the business representatives. The support that public authorities provide to the local business environment, in the context of the pandemic, is essential, in order to show solidarity and give confidence to entrepreneurs and investors.

Mainly, the state has the role of being a so-called "uncertainty reducer", aiming to stabilize the economy and restore the confidence in the business environment.

58. The Government, together with the National Bank (BNR), urgently adopted a package of fiscal and monetary stimuli that were mainly aimed at: ensuring the payment of the technical unemployment; postponing the tax payments; suspending/postponing loan rates or their increase. The fiscal-budgetary measures undertaken at governmental level included: the allocation of additional funds for the health system; payment from budgetary or European sources of technical unemployment in the amount of 75% of the average gross salary in the economy, including partial coverage of the salaries of the self-employed; postponement of the payment of taxes during the state of emergency /state of alert and additional 30 days after its conclusion; initial guarantees of 15 billion Romanian lei (approximately 3,099,266,767 euros) for SMEs, which were later increased to 30 billion lei (6,198,150,697 euros); faster refund of VAT; suspension of enforcement for outstanding debtor; postponement of the payment of the property tax by three months, with the maintenance of the 10% bonus.
59. The pillars of Romania's future economic development will be public and private investments. On 1 July 2020, the Government of Romania launched the National Investment and Economic Relaunch Plan, to further support the recovery of the national economy.
60. Sustained efforts are being made in the direction of digitizing the economy and public administration, and in this regard, at national level, a series of digital innovation centers have been created and are in various stages of development. The Authority for the Digitalization of Romania was established and the framework document on the National Strategy for Research, Innovation and Smart Specialization 2021-2027, and the Operational Program Smart Growth and Digitization 2021-2027 is being finalized.
61. On 27 May 2020, the European Commission presented its vision for economic recovery at Community level, the EU Recovery Plan - COM (2020) 456 final. Under this plan, Romania will benefit from funds totaling over 33 billion Euros.
62. The Federal Assembly of **the Russian Federation** promptly adopted a series of anti-crisis laws to support citizens, small and medium-sized entrepreneurs, and industries. Particularly noteworthy is the Law, which gives the Government of the Russian Federation the right to act as the coordinating body of the unified state emergency prevention and elimination system. The Government is empowered to take decisions on the introduction of high alert regime or emergency situations, as well as to establish binding rules of behaviour during these regimes. The laws, aiming at enhancing social protection of citizens during pandemic, envisage establishment of specific procedure for determining the temporary disability benefits during 1 April-31 December 2020; and increasing the number of unemployed citizens who can receive social protection support. Measures have been taken for ensuring prompt receipt of information about the citizens who lost their jobs because of unfavourable epidemiological situation. The administrative and criminal liability for violation of sanitary and epidemiological rules have been strengthened.
63. The Government of the Russian Federation and the local authorities in the Russian Federation constituent entities are empowered in 2020 to take decisions on redistribution(distribution) of budgetary allocations between regions and municipalities with the aim to promptly provide support to the regions and municipalities. This year obligatory debt redemption of budget loans for the constituent entities of the Russian Federation was cancelled. Amendments were adopted to the Law on the Central Bank in terms of regulating the deferral for loan payments for the people and small and medium-size entrepreneurs. The Budget Code was also amended with the aim to increasing the availability of state guarantees of the Russian Federation for domestic enterprises and

providing the regions with more manoeuvring in finding resources for enhancing local economy and improving the living standards. Starting with 2021, the restrictions on the possibility of lending from one region to another will be lifted. One more law ensures the prompt implementation of the instruction of the President of the Russian Federation to exempt from income tax the compensation payments to doctors, to reduce corporate tax burden including the organizations purchasing personal protective equipment, test systems and medical equipment for diagnostics (treatment) for the novel coronavirus infection.

64. The national measures have been taken at the federal level during the restrictions period due to the coronavirus pandemic and the constituent entities of the Federation got additional powers to plan their own action according to the situations locally in coordination with the Russian Government. Special complementary decisions were taken to support the key industries such as construction, automobile industry, transport, light industry, agriculture, tourism.
65. During the pandemic, the volume of financial support from the state and the Bank of Russia to the economy and citizens equals about 6 trillion RUB (approximately 67.5 billion euros). It includes mechanisms for direct financing from the federal budget, government guarantees, budget expenditures in the form of various benefits and exemptions, including taxes and mandatory payments, their deferrals (instalments), measures to reduce the administrative burden. In general, according to the Federal Tax Service of Russia, tax savings (reduction of insurance premiums from 30% to 15%, provision of tax deferrals, exemption from tax payments for the second quarter of this year) and payments to SMEs equals to 756 billion RUB (approximately 8.5 billion euros). Credit support measures for citizens and businesses include deferred loan repayments, loan restructuring programs and several government-backed concessional lending programs. 436 billion RUB (approx. 4.9 billion euros) were allocated for the program of concessional lending to strategic enterprises to maintain working capital and preserve jobs. The Bank of Russia took measures aimed at protecting the interests of borrowers, preserving crediting, easing regulatory and supervisory burden on financial institutions, and three times reduced the benchmark rate: from 6 to 4.25% per annum. Financial support is provided to the regions to compensate the decrease in revenues in regional budgets and ensure their sustainability.
66. Upon the instruction of the President of the Russian Federation, the Russian Government prepared the Draft National Action Plan to ensure the restoration of employment and income of population, economic growth, and long-term structural changes (hereinafter - the National Plan). Its main goal is to overcome the economic decline caused by the spread of the new coronavirus infection and achieve sustainable growth of the gross domestic product, which will lead to a stable increase in the real incomes of citizens. The strategic objective of the National Plan is not only to stabilize the situation, but it is utmost important to support citizens, enterprises, and business at the recovery stage. The objectives of the National Plan will be achieved through a set of measures in the following areas: strengthening investment activity, application of modern and digital technologies, increasing the level of education, and rapid building of high-quality housing. The cost of its implementation will be approximately 5 trillion RUB (app. 56 billion euros).
67. The priority of the National Assembly of the **Republic of Serbia**, as well as the overall policy of the state, is the principle of saving human lives in the fight against the COVID-19 virus. It will remain flexible in the coming period and will continue its activities. In that sense, the National Assembly passed a decision on confirming the Decision on declaring a state of emergency, submitted by the Government of the Republic of Serbia, as well as the law on confirming decrees passed by the Government during the state of emergency, submitted by the Government.

68. At the broader economic level, the Republic of Serbia pursues a policy of innovation, flexibility and investment in quality of life and economy. In this regard, the state has implemented several economic measures to help the economy and citizens during the pandemic. In that framework, two Decrees were adopted - the Decree on Conditions and Criteria for Compliance of State Aid for the Elimination of Adverse Consequences Caused by the Outbreak of Infectious Disease COVID-19 (“Official Gazette of RS” No. 54/2020), and the Decree on Conditions and Criteria for Compliance of State Aid for the Elimination of Serious Disruption in an Economy Caused by an Outbreak of Infectious Disease COVID-19 (“Official Gazette of RS” No. 54/2020).
69. The Republic of Serbia has prepared a package of state economic measures to prevent and mitigate the negative effects caused by the COVID-19 pandemic, as well as the accompanying legal framework that should enable their implementation. Tax policy measures include deferral of payment of taxes on salaries and contributions for the private sector, during the state of emergency, with the subsequent repayment of the obligations incurred in instalments starting at the earliest from 2021; deferral of payment of advance income tax in the second quarter of 2020; exemption of donors from the obligation to pay VAT. Direct assistance to the private sector include direct assistance to entrepreneurs who are taxed at a flat rate and who pay real income tax, micro, small and medium-sized enterprises in the private sector; and direct assistance to large companies in the private sector - payment of assistance in the amount of 50% of the net minimum wage for employees for whom a decision on termination of employment was made. Measures to preserve liquidity include programme of financial support to the economy of the Development Fund for entrepreneurs, micro, small and medium-sized enterprises, agricultural farms and cooperatives and guarantee programme to support the economy in the conditions of the COVID-19 crisis for loans to maintain liquidity and working capital for entrepreneurs, micro, small and medium-sized enterprises, agricultural farms, and through commercial banks. As part of the aid to the economy and citizens, the Republic of Serbia paid direct assistance to all adult citizens, in the amount of EUR 100 per person.
70. Soon after the emergence of the first coronavirus case in the **Republic of Turkey** and succeeding containment measures, Economic Stability Shield Package was announced to the public. Within the scope of the Package announced in March, the state main economic policies, taken to mitigate the pandemic effects are summarized as follows: 1. for businesses (withholding tax, VAT, and social security contributions of more than 2 million taxpayers have been postponed for six months; income tax and VAT of 2.5 million taxpayers regarding March, have been delayed to April; accommodation tax which was expected to be implemented within 2020, for 12 thousand accommodation centers, was postponed to January 2021; legal payments regarding hotel leasing, amounting to 300 million TL (approximately 34,033,379 euros), were delayed for 6 months; VAT for domestic flights was reduced to 1 percent temporarily); 2. for exporters (in short-term loans, the commitment-closing period has been extended; time extension was made at the maximum specified maturity of rediscount credits; the terms given to the buyer at the insurance limits, are extended free of charge); 3. regarding credit conditions and access to credit (the limit of the Credit Guarantee Fund was doubled from 25 billion TL (approximately 2,836,882,191 euros), to 50 billion TL (approximately 5,673,764,383 euros); financing support was provided for stocks to exporters and the credit deadlines were extended by Turkish Eximbank; opportunity to bring “force majeure” explanation to the trade registry was provided; postponing the loan interest rates of tradesmen and craftsmen was provided; opportunity was given to customers whose cash flow is impaired for postponing the loan payments for 3 months upon their request; public and private banks and announced credit support packages.

71. Due to new requirements, after the announcement of the Package in March, additional or new measures have been taken. In general, those measures could be classified under the following groups: flexibility in taxes and other financial liabilities; measures for the tourism sector; means applied for rental payments; durability of production was ensured; credit conditions and access to credit; banking sector; flexibility in liquidity management.
72. As of July 2020, the amount of the measures taken to support the economy reached 505 billion TL (approximately 57,286,381,596 euros), during the COVID-19 pandemic. This amount includes social spending, loan packages, tax and premium payments deferral. With the support of comprehensive policy measures and incentives which have been implemented during the pandemic, it is anticipated that the Turkish economy will have a "V-shape" recovery which gained momentum in July. The normalization steps that started in June in Turkey, and the normalization steps taken by other countries, are considered important factors in this process. Structural policies to support the labor market and the real sector, are crucial to compensate for the long-term negative effects of the COVID 19 epidemic, as well as continuing to support households and companies. Maintaining the asset quality of the banking sector and retaining the strong outlook of the real sector's balance sheet continue to be a priority in the coming period.
73. As all world economies in the process of a pandemic, Turkey also implemented expansionary monetary and fiscal policies. In the long run, reversing these policies is critical to ensure the sustainability of public debt stocks and budget deficits. In the post-pandemic process, reallocation of foreign direct investments and supply chains appear to be an inevitable fact. Within this direction, the status of Turkey in the supply chain and its share of foreign direct investment depend on factors such as: improving the investment climate, flexing the labor market, and having a proper entrepreneurship ecosystem. In addition, the policy framework that will increase the effectiveness of the private sector, provide predictability in foreign trade and accelerate e-transformation, which will stimulate the growth rate potential in Turkey, in the post-pandemic period.
74. In response to the COVID-19 pandemic in **Ukraine**, sanitary and epidemiological measures were introduced, restrictions on leaving/ entering the country and movement within the country were established, the role of governance in emergency conditions has been strengthened, restrictions on labour activity have been established and new remote forms of labour and education were introduced.
75. A number of decisions have been made to mitigate the impact of the COVID-19 pandemic on the Ukrainian economy, such as: the preservation of labour rights for workers and the rights of internally displaced persons was ensured, and temporary disability benefit was paid in the amount of 50% of the average salary during the response to COVID-19; guaranteed temporary release of citizens from liability under consumer credit agreements; provided tax incentives, as well as simplified conditions for doing business for the import and supply of goods (including medicines) to the territory of Ukraine; weakened legal requirements for the activities of business and individual entrepreneurs; certain penalties have been cancelled in relation to the unified social contribution and violations of tax laws; a moratorium on tax audits for the quarantine period was introduced; the program of state support "Available loans 5-7-9%" was expanded; assistance was provided for partial unemployment to employers in small and medium-sized businesses during the quarantine period; measures were taken aimed at supporting the medical industry, as well as to meeting the needs of the medical system. To mitigate the impact of the pandemic on the banking sector and to support the economy, the National Bank of Ukraine significantly relaxed regulatory requirements for banks and banks were allowed to restructure customer loans on mutually beneficial terms.

76. In order to neutralize the negative consequences of the country's economic decline due to the spread of the coronavirus infection COVID-19, the Verkhovna Rada of Ukraine adopted a number of laws aimed at protecting the rights of individuals and legal entities during the quarantine. The Law of Ukraine from 30 March 2020, No. 540-IX "On Amendments to Certain Legislative Acts of Ukraine aimed at providing additional social and economic guarantees in connection with the spread of coronavirus disease (COVID-19)" provides that during the implementation of measures to prevent the emergence and spread of coronavirus disease in Ukraine, it is prohibited to raise the interest rate under the loan agreement, and the terms for the creditor's claims to the surety are increased. The Law of Ukraine from 16 June 2020, No. 691-IX "On Amendments to the Economic Code of Ukraine and the Civil Code of Ukraine regarding the prevention of the accrual of penalties on loans (borrowings) during the quarantine period established in order to prevent the spread of coronavirus disease COVID-19 in Ukraine" stipulates the protection of business entities from accrual during the quarantine period and within thirty days after the end of the quarantine of fines and penalties on loans. The Law of Ukraine from 17 March 2020, No. 530-IX "On Amendments to Certain Legislative Acts of Ukraine Aimed at Preventing the Emergence and Spread of Coronavirus Disease (COVID-19)" stipulates that during the quarantine, business checks are prohibited, remote work is allowed, administrative fines have been introduced and criminal liability for violation of quarantine is increased. In addition, the introduction of quarantine will now be considered force majeure. The Law of Ukraine from 17 March 2020, No. 533-IX "On Amendments to the Tax Code of Ukraine and other laws of Ukraine on support to taxpayers for the period of implementation of measures aimed at preventing the emergence and spread of coronavirus disease (COVID-19)" was adopted.
77. On 30 March 2020, the Verkhovna Rada adopted the second package of legislative changes aimed at supporting businesses while countering the spread of the coronavirus disease COVID-19. This package provided: simplification of registration of remote work and introduction of flexible working hours; lifting the restriction on receiving only one kind of state support for the development of small and medium-sized businesses; introduced the concept of "partial unemployment" for small and medium-sized businesses; draft regulatory acts aimed at simplifying the requirements for business activities under quarantine by the authorities can be adopted even within one day, and not 30, as it was before; the moratorium on scheduled non-tax audits was extended etc.
78. On 27 May 2020 the Cabinet of Ministers of Ukraine adopted Resolution No. 534 "On the adoption of the State program to stimulate the economy in order to overcome the negative consequences caused by restrictive measures to prevent the emergence and spread of acute respiratory disease COVID-19 caused by the SARS-CoV-2 coronavirus, for 2020-2022". The goal of the Program is to introduce, during 2020-2022, a comprehensive system of new opportunities for stabilization and sustainable development of the Ukrainian economy and to increase the level of employment of the population by preserving the existing one and stimulating the creation of new highly productive jobs with decent working conditions.
79. An important comprehensive tool for neutralizing the adverse effects of COVID-19, should be the implementation of the provisions of the Strategy of Industrial Complex Development for the period up to 2030. The aim of the Strategy is to carry out reforms that will ensure the stability and dynamical development of the economy- carrying out a new industrialization in Ukraine, in order to solve the acute problems facing the national industry.

IV THE ROLE OF PARLIAMENTS OF THE BSEC MEMBER STATES IN FIGHTING ECONOMIC CONSEQUENCES OF THE PANDEMIC COVID-19

80. One of the key components of the successful implementation of the national economic recovery programs is the parliamentary support. Adequate political backing, on behalf of national and international parliamentary institutions, is crucial for the joint and effective action, to mitigate the adverse consequences of the COVID-19 pandemic on economies of BSEC Member States.
81. Providing the continuation of functioning of the parliaments during the pandemic crisis has been of outmost importance. As the COVID-19 continues to place strong demands on governments, legislatures are uniquely called to respond to both the short and longer-term needs of the public, share information transparently and hold the executive branch to account for the mobilization of programs and services.
82. The Parliaments of the BSEC Member States, as many other parliaments worldwide, embarked upon comprehensive measures with the same aim- to support their respective governments in mitigating and confronting COVID-19 challenges. They played an important role in this process, by adjusting their procedures and processes accordingly, to ensure that institutions can function in a pandemic situation. They adapted to the new reality, worked in extraordinary regime, and played a crucial role in ensuring that emergency measures are introduced and implemented adequately and timely. Parliaments of the BSEC Member States amended the states budgets according to the specific needs of their countries to fight the COVID-19. In addressing the pandemic, they adopted necessary laws, economic aid packages and emergency health measures.
83. The fiscal policies of states during the pandemic, supply chain and distribution, business operations, employee support, and small and medium enterprises support, are all areas where policymakers provided effective economic responses to the pandemic. Some policy responses included suspending the payment of payroll taxes and/or the re fundability for paid sick leave for employers; expanding and streamlining loan programmes for small and medium sized businesses; enabled facilities for larger businesses to access loans and loan guarantees. Parliamentarians have a key role in highlighting these areas.
84. Parliaments are to cast oversight on government decisions and actions with respect to policy formulation and implementation, public resource management, as well as on the expenditure of the public funds related to COVID-19, to make sure that the funds are allocated properly, timely and where they are needed. In addition, parliaments are to oversee the government borrowings and debt management as more resources are mobilized, either through domestic borrowing or from multilateral lending institutions, to mitigate the effects of the pandemic. Parliamentarians also scrutinized monetary policies introduced during a global pandemic, to ensure that they meet the needs of citizens.
85. The PABSEC is focused on the role of parliaments and parliamentarians in overcoming the current economic crisis caused by the pandemic, forging consensus around the key measures, to put economies back on track. It supports the role of the governments of the BSEC Member States, in managing the current risks, through enhanced involvement of the parliaments and of the parliamentarians.
86. The PABSEC encourages national parliaments in their efforts for economic recovery and stands ready to promote further assistance and coordination of the BSEC Member States, in fighting pandemic.

V CONCLUSIONS

87. As indicated in the Report, the shutdown economic measures have significantly increased the economic costs of the pandemic, even in countries where containment measures have been relatively light. Growth prospects depend on many factors, including how the COVID-19 evolves in the future, the duration of shutdowns, the implementation of fiscal and monetary policy support, the scale and impact of interventions like social isolation, the extent of supply disruptions, changes in human behavior etc.
88. Since the outbreak of the pandemic, the PABSEC Member States have had to adopt emergency measures to preserve the health of the citizens and prevent a collapse of the economies. The parliaments and the governments of the BSEC Member States have adopted comprehensive and strong economic measures aiming at ensuring the macroeconomic stability, reducing economic and social fallout of COVID-19 and the long-term impact of the crisis. The central banks, in coordination with the governments of the BSEC Member States, pursued monetary policies aimed at reaching the economic growth, to the extent possible, due to the pandemic situation.
89. While utmost caution is still required on the health and sanitary situation, the emphasis is now shifting towards mitigating the economic and social damage. It should be emphasized that adopted economic policies need to be complemented with other state measures related to social protection, educational system, labour and work areas etc., as economic policy alone cannot end the crisis.
90. While the COVID-19 pandemic has had severe effects on almost all sectors of the national economies of the BSEC Member States, there have been some sectors that further developed throughout the crisis, like industries and services based largely on digitalization and artificial intelligence, such as: the IT industry, software solutions for businesses and the general public, telecommunications and Internet services, e-commerce and online shopping, retail, especially food industry, pharmaceutical and chemical industries, online services, online offices, etc. The pandemic has provided strong incentives to accelerate digitalization and promote digital economy and e-government in the BSEC Region.
91. In the context of the COVID-19 pandemic, the utility and efficiency of digital technologies and solutions in a series of activities, was clearly demonstrated in the BSEC Member States, which confirms the urgent need for the digital transformation of national economies in the coming years, about which the PABSEC wrote in the previous documents.
92. Regarding the prospects of the BSEC Member States economies, uncertainty will likely prevail for an extended period, with economic hardship that might persist even after the health crisis. The uncertainty highly affects the stock exchanges and the general economic situation, and progress in developing a vaccine could bring predictability in this process and prevent the situation of a prolonged pandemic.
93. Concerning the post-pandemic period, economic forecasting is particularly challenging. Over the medium term, growth could be expected to rebound in the BSEC Member States, as life and economic activity gradually go back to normal, although the speed of the recovery depends on the duration and intensity of the pandemic. Gradual recovery could start after the solid medical solution is found.
94. The PABSEC is of the opinion that the regional cooperation is of a vital importance, especially in the field of the exchange of information and experience. Having in mind the spill over effects and inter linkages among the BSEC member states economies, the effective use of the existing regional mechanisms and harmonization of standards and policies in the regional context, can be a step towards improving the effectiveness of the cooperation in the field of economic recovery programmes, health protection, emergency management and

exchanging experience of the health systems in order to achieve standards of health and well-being.

95. Taking into consideration that tackling the pandemic requires whole-of-government, whole-of-society approach of the BSEC Member States, PABSEC stands ready to promote further coordination among the parliaments of the Member States, in fighting the multidimensional pandemic.
96. Discussions on topical socio-economic problems, in the framework of the PABSEC, on a regular basis, will help accelerate the pace of economic recovery and achieve the objectives of the economic cooperation and growth, in the BSEC region.